

To find out how you can help your workplace

**SAVE MONEY,**

please read on...

To find out how you can make your workplace

**SAFER  
CLEANER  
HEALTHIER  
AND MORE PRODUCTIVE,**

please read on...

# Tobacco Costs My Company How Much?

Tobacco use costs employers production time:

- An average smoker takes six cigarette breaks a day.
- Each smoke break takes approximately 10 minutes.
- 6 smoke breaks x 10 minutes = 60 minutes a day
- 60 minutes a day x 5 days a week = 5 hours per week
- 5 hours per week = 3 days per month or over 30 days a year in lost productivity

Tobacco use costs Iowa \$1 billion per year in medical costs, plus an additional \$711 million per year in lost productivity.<sup>1</sup>

Reducing overhead costs is an important component of running an effective business. With healthcare costs forecasted to continue to rise for the foreseeable future, promoting wellness and a healthy lifestyle in the workplace has become a focus for many businesses. Effective wellness initiatives include programming that can assist employees with ceasing self-defeating behaviors. Tobacco use is the number one cause of preventable death in the United States. Over the past couple of decades, research and experience has demonstrated that employee tobacco use directly affects the bottom line. Implementing a tobacco-free campus policy may assist you with increasing the safety, health, and productivity of your workplace.

**Q: What** is a “tobacco-free campus policy”?

**A:** A tobacco-free campus policy prohibits use of tobacco, tobacco-like products, emerging tobacco products or a simulated smoking device anywhere on the grounds owned, leased, rented or maintained by the company. This policy also includes all nicotine products not regulated or approved by the Food and Drug Administration.

**Q: Why** a “tobacco-free campus policy”?

**A:** Because tobacco use affects every facet of the business. It impacts your health care costs, as tobacco users are more susceptible to illness, and recover less quickly than non-tobacco users. Maintenance of the facility is impacted, and despite the fact that tobacco use is an at-times accepted norm, a business’s image is important and stepping over tobacco waste or smelling tobacco smoke has the ability to impact a cherished image. Cleaning and maintenance made necessary by tobacco smoke and spit tobacco-related litter cost businesses about \$4+ billion per year nationwide.

**Declaring to the community your desire to go “tobacco-free” illustrates both your commitment to the health and wellbeing of both your employees and consumers.**

# Insurance Costs

Dozens of companies offer discounts on life, disability, and medical insurance for non-tobacco users. As a cost-saving strategy, it is worth investigating the reduction of insurance costs for tobacco-free workplaces.

Employers and employees alike are concerned about the rise in healthcare costs. The American Cancer Society reports that employees who smoke have an average insured payment for health care of \$1,145, while nonsmoking employees average \$762.26.<sup>2</sup>

Smoking employees can cost a company an average of \$1,429 per smoker per year in increased healthcare costs over nonsmoking employees.<sup>3</sup>

Not only will health insurance costs go down (tobacco users have 15% higher disability rates than non-tobacco users) but so will life insurance costs and claims and disability costs and claims.<sup>4</sup>

On average, tobacco users can cost company drug plans at least twice as much as non-tobacco users.



# Property Damage Costs



Following the passing of the Smoke-Free Air Act in 2008, costs for businesses related to tobacco litter clean-up has decreased, however, there are still costs in maintaining business exteriors, such as: entryways, landscaping, sidewalks and parking.

Spit tobacco can also cause damage to property when spit users carelessly discard their biological waste on floors, in bathroom sinks, in water fountains or “miss” the trash receptacle, becoming a public health hazard.



In Iowa, smoking costs an estimated \$3,926.23 per smoker per year. This cost is made up of \$2,381.32 in direct medical expenditures and \$1,544.91 in lost productivity.<sup>5</sup> Factors considered in estimating these costs include:

- Greater health care costs
- Increased absenteeism
- Work time spent on smoking rituals
- Higher life insurance premium costs
- Greater risk of occupational injuries
- More disability costs
- More disciplinary actions

## Do the Math:

<div>_____</div> <div>Total Number of Employees</div>	X	14% (2008 Iowa Adult Smoking Survey)	=	<div>_____</div> <div>Number of Smokers</div>
<div>_____</div> <div>Total Number of Employees</div>	X	9% Prevalence of use of smokeless tobacco, cigars and pipe tobacco	=	<div>_____</div> <div>Number of smokeless, cigar and pipe tobacco users</div>
<div>_____</div> <div>Total Number of Smokers</div>	+	<div>_____</div> <div>Number of smokeless, cigar and pipe tobacco users</div>	=	<div>_____</div> <div>Number of tobacco users</div>
<div>_____</div> <div>Number of Tobacco Users</div>	X	\$2,381.32 (Estimated Health Costs)	=	<div>_____</div> <div>Total Health Costs</div>
<div>_____</div> <div>Number of Tobacco Users</div>	X	\$1,544.91 (Estimated Productivity Cost)	=	<div>_____</div> <div>Total Productivity Cost</div>
<div>_____</div> <div>Total Health Costs</div>	+	<div>_____</div> <div>Total Productivity Cost</div>	=	<div>_____</div> <div>Total Cost Per Year</div>